

WELCOME TO SINGLE FAMILY HOUSING LENDER TRAINING



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Disclosure

- ❖ THE PURPOSE OF THIS PRESENTATION IS AN OVERVIEW OF THE SUBJECT MATTER WITH SUMMATION AND EXPLANATION OF RECENT CHANGES IN FHA POLICY. IT INTRODUCES AND EXPLAINS, RATHER THAN SUPPLANTS, OFFICIAL POLICY ISSUED IN HANDBOOKS AND MORTGAGEE LETTERS. IF YOU FIND A DISCREPANCY BETWEEN THE PRESENTATION AND HANDBOOKS, MORTGAGEE LETTERS, ETC., THE OFFICIAL POLICIES PREVAIL. PLEASE NOTE THE INFORMATION PROVIDED IN THIS TRAINING IS SUBJECT TO CHANGE.
- ❖ PLEASE CONSULT HUD ONLINE HANDBOOKS AT [HTTP://WWW.FHAOUTREACH.GOV/FHAHANDBOOK/PROD/CONTENT.S.ASP?ADDRESS=4155-1](http://www.fhaoutreach.gov/FHAHANDBOOK/PROD/CONTENT.S.ASP?ADDRESS=4155-1) AND MORTGAGEE LETTERS THROUGH [HTTP://WWW.HUD.GOV/OFFICES/ADM/HUDCLIPS/LETTERS/MORTGAGEE/INDEX.CFM](http://www.hud.gov/offices/adm/hudclips/letters/mortgagee/index.cfm) FOR THE MOST RECENT UPDATES AND CURRENT POLICY.





UNDERWRITING THE APPRAISAL

PRESENTED BY
LAURA ARUNDEL
JACQUELYN PULLMAN



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“DIRECT ENDORSEMENT LENDERS ARE REMINDED THAT IF THE APPRAISER THEY SELECTED PROVIDES A POOR OR FRAUDULENT APPRAISAL THAT LEADS FHA TO INSURE A MORTGAGE AT AN INFLATED AMOUNT, THE LENDER IS HELD RESPONSIBLE, EQUALLY WITH THE APPRAISER, FOR THE INTEGRITY, ACCURACY AND THOROUGHNESS OF AN APPRAISAL SUBMITTED TO FHA FOR MORTGAGE INSURANCE PURPOSES.”



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WITH WHOM DOES THE APPRAISER COMMUNICATE?

THE APPRAISER IS TO DISCUSS THE APPRAISAL ONLY WITH THE DE UNDERWRITER WHO IS RESPONSIBLE FOR THE QUALITY OF THE APPRAISAL REPORT. ONLY THE UNDERWRITER IS ALLOWED TO REQUEST CLARIFICATIONS AND DISCUSS WITH THE APPRAISER COMPONENTS OF THE APPRAISAL THAT INFLUENCE ITS QUALITY.

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FHA Connection

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Welcome SHARRON MULLEN

Single Family FHA

Single Family Origination Case Processing Appraisal Logging

Appraisal Logging Update

Address: 15714 I

Construction Code: Existing

Appraisal Received Date: 0

Date of Contract: 02/19

Location: Suburban

Concrete Slab

6

3

2.0

Living Area: 1792

Central Air: Yes

No

Car Storage: Two-car Garage

* Prior Sale Information *

Was prior sale/transfer of this property within the past 3 years? No Sale/Transfer within 3 yrs

Date of Prior Sale/Transfer:

Price of Prior Sale/Transfer:

* Reconciliation Fields *

Appraised Value: 200000

Actual Appraiser (State Certificate or License No.):

Effective Date of Appraisal:

ID: TX1332666

03/04/10

Name: HALL, JAMES M

* Appraisal Update *

Appraiser (State Certificate or License No.):

Effective Date of Appraisal Update:

ID:

Name:

Certify subject property did not decline in value

Second Appraisal

Select link if you wish to enter second appraisal



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UNIFORM RESIDENTIAL APPRAISAL SUBJECT SECTION

FHA Case #052-3648001

SUBJECT	Property Address		City	State	Zip Code	
	Borrower		Owner of Public Record		County	
	Legal Description					
	Assessor's Parcel #		Tax Year	R.E. Taxes \$		
	Neighborhood Name		Map Reference	Census Tract		
	Occupant	<input type="checkbox"/> Owner <input type="checkbox"/> Tenant <input type="checkbox"/> Vacant	Special Assessments \$	<input type="checkbox"/> PUD	HOA \$	<input type="checkbox"/> per year <input type="checkbox"/> per month
	Property Rights Appraised <input type="checkbox"/> Fee Simple <input type="checkbox"/> Leasehold <input type="checkbox"/> Other (describe)					
	Assignment Type <input type="checkbox"/> Purchase Transaction <input type="checkbox"/> Refinance Transaction <input type="checkbox"/> Other (describe)					
	Lender/Client		Address			
	Is the subject property currently offered for sale or has it been offered for sale in the twelve months prior to the effective date of this appraisal? <input type="checkbox"/> Yes <input type="checkbox"/> No					
Report data source(s) used, offering price(s), and date(s). _____						



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UNIFORM RESIDENTIAL APPRAISAL REPORT

SUBJECT SECTION

SUBJECT	Property Address		City	State	Zip Code	
	Borrower		Owner of Public Record	County		
	Legal Description					
	Assessor's Parcel #		Tax Year	R.E. Taxes \$		
	Neighborhood Name		Map Reference	Census Tract		
	Occupant	<input type="checkbox"/> Owner <input type="checkbox"/> Tenant <input type="checkbox"/> Vacant	Special Assessments \$	<input type="checkbox"/> PUD	HOA \$	<input type="checkbox"/> per year <input type="checkbox"/> per month
	Property Rights Appraised		<input type="checkbox"/> Fee Simple <input type="checkbox"/> Leasehold <input type="checkbox"/> Other (describe)			
	Assignment Type		<input type="checkbox"/> Purchase Transaction <input type="checkbox"/> Refinance Transaction <input type="checkbox"/> Other (describe)			
	Lender/Client		Address			
	Is the subject property currently offered for sale or has it been offered for sale in the twelve months prior to the effective date of this appraisal? <input type="checkbox"/> Yes <input type="checkbox"/> No					
Report data source(s) used, offering price(s), and date(s). _____						





UNIFORM RESIDENTIAL APPRAISAL REPORT CONTRACT SECTION

CONTRACT	I <input type="checkbox"/> did <input type="checkbox"/> did not analyze the contract for sale for the subject purchase transaction. Explain the results of the analysis of the contract for sale or why the analysis was not performed.		
	Contract Price \$	Date of Contract	Is the property seller the owner of public record? <input type="checkbox"/> Yes <input type="checkbox"/> No Data Source(s)
	Is there any financial assistance (loan charges, sale concessions, gift or downpayment assistance, etc.) to be paid by any party on behalf of the borrower? <input type="checkbox"/> Yes <input type="checkbox"/> No		
	If Yes, report the total dollar amount and describe the items to be paid. \$ _____		



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UNIFORM RESIDENTIAL APPRAISAL REPORT

NEIGHBORHOOD

Note: Race and the racial composition of the neighborhood are not appraisal factors.

Neighborhood Characteristics	One-Unit Housing Trends	One-Unit Housing	Present Land Use %
Location <input type="checkbox"/> Urban <input type="checkbox"/> Suburban <input type="checkbox"/> Rural	Property Values <input type="checkbox"/> Increasing <input type="checkbox"/> Stable <input type="checkbox"/> Declining	PRICE AGE	One-Unit %
Built-Up <input type="checkbox"/> Over 75% <input type="checkbox"/> 25-75% <input type="checkbox"/> Under 25%	Demand/Supply <input type="checkbox"/> Shortage <input type="checkbox"/> In Balance <input type="checkbox"/> Over Supply	\$ (000) (yrs)	2-4 Unit %
Growth <input type="checkbox"/> Rapid <input type="checkbox"/> Stable <input type="checkbox"/> Slow	Marketing Time <input type="checkbox"/> Under 3 mths <input type="checkbox"/> 3-6 mths <input type="checkbox"/> Over 6 mths	Low	Multi-Family %
Neighborhood Boundaries		High	Commercial %
		Pred.	Other %
Neighborhood Description			
Market Conditions (including support for the above conclusions)			

Dimension

Area

Class

Value



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UNIFORM RESIDENTIAL APPRAISAL REPORT SITE

Dimensions	Area		Shape		View				
Specific Zoning Classification		Zoning Description							
Zoning Compliance <input type="checkbox"/> Legal <input type="checkbox"/> Legal Nonconforming (Grandfathered Use) <input type="checkbox"/> No Zoning <input type="checkbox"/> Illegal (describe)									
Is the highest and best use of the subject property as improved (or as proposed per plans and specifications) the present use? <input type="checkbox"/> Yes <input type="checkbox"/> No If No, describe									
S I T E	Utilities	Public	Other (describe)	Public	Other (describe)	Off-site Improvements—Type	Public	Private	
	Electricity	<input type="checkbox"/>	<input type="checkbox"/>	Water	<input type="checkbox"/>	<input type="checkbox"/>	Street	<input type="checkbox"/>	<input type="checkbox"/>
	Gas	<input type="checkbox"/>	<input type="checkbox"/>	Sanitary Sewer	<input type="checkbox"/>	<input type="checkbox"/>	Alley	<input type="checkbox"/>	<input type="checkbox"/>
	FEMA Special Flood Hazard Area	<input type="checkbox"/> Yes <input type="checkbox"/> No	FEMA Flood Zone	FEMA Map #		FEMA Map Date			
	Are the utilities and off-site improvements typical for the market area? <input type="checkbox"/> Yes <input type="checkbox"/> No If No, describe								
Are there any adverse site conditions or external factors (easements, encroachments, environmental conditions, land uses, etc.)? <input type="checkbox"/> Yes <input type="checkbox"/> No If Yes, describe									





OBSERVING THE SITE

FHA REQUIRES THE APPRAISER TO
DISCLOSE IF ANY PROPERTY IS
SUBJECT TO HAZARDS THAT ENDANGER
THE PHYSICAL IMPROVEMENTS, OR
AFFECT LIVABILITY, MARKETABILITY OR
HEALTH AND SAFETY OF OCCUPANTS





SITE HAZARDS & NUISANCES

- ❖ SUBSIDENCE
- ❖ ACTIVE OR PLANNED DRILL SITES
- ❖ ABOVE GROUND STATIONARY STORAGE TANKS
- ❖ HIGH VOLTAGE TRANSMISSION LINES/TOWERS
- ❖ GRADING AND DRAINAGE
- ❖ AIRPORT NOISE AND HAZARDS
 - RUNWAY CLEAR ZONES/ACCIDENT POTENTIAL ZONES





INDIVIDUAL WATER SUPPLY AND SEWAGE SYSTEMS

- ❖ THE LENDER IS REQUIRED TO INSURE THE WELL AND SEPTIC MEET HUD, STATE AND LOCAL JURISDICTION REQUIREMENTS.
- ❖ THE UNDERWRITER, NOT THE APPRAISER, IS REQUIRED TO DETERMINE FEASIBILITY OF CONNECTING IMPROVEMENTS TO PUBLIC WATER AND/OR SEPTIC SYSTEM.
- ❖ CALL FOR INSPECTION OF READILY OBSERVABLE DEFICIENCIES OF WELL OR SEPTIC SYSTEMS





RESIDENTIAL APPRAISAL REPORT IMPROVEMENTS

General Description
Units <input type="checkbox"/> One <input type="checkbox"/> One with Accessory Unit
of Stories
Type <input type="checkbox"/> Det. <input type="checkbox"/> Att. <input type="checkbox"/> S-Det./End Unit
<input type="checkbox"/> Existing <input type="checkbox"/> Proposed <input type="checkbox"/> Under Const.
Design (Style)
Year Built
Effective Age (Yrs)

UNITS

- NUMBER OF STORIES
- PROPERTY TYPE
- DESIGN
- YEAR BUILT
- EFFECTIVE AGE





ACCESSORY UNITS



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FOUNDATION/BASEMENT/ CRAWL SPACE

Foundation	
<input type="checkbox"/> Concrete Slab	<input type="checkbox"/> Crawl Space
<input type="checkbox"/> Full Basement	<input type="checkbox"/> Partial Basement
Basement Area	sq. ft.
Basement Finish	%
<input type="checkbox"/> Outside Entry/Exit	<input type="checkbox"/> Sump Pump
Evidence of <input type="checkbox"/> Infestation	
<input type="checkbox"/> Dampness	<input type="checkbox"/> Settlement

- BASEMENT
- CRAWL SPACE
- BASEMENT AREA
- BASEMENT FINISH





INTERIOR – MATERIALS CONDITION

INTERIOR	materials/condition
Floors	
Walls	
Trim/Finish	
Bath Floor	
Bath Wainscot	

- APPRAISER IS TO STATE WHAT HE/SHE SAW AND DESCRIBE WHEN NECESSARY.
- WHAT IS READILY OBSERVABLE?
- WHAT UPGRADES DID HE/SHE SEE?





INTERIOR



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UNIFORM RESIDENTIAL APPRAISAL REPORT ATTIC

Attic	<input type="checkbox"/>	None
<input type="checkbox"/> Drop Stair	<input type="checkbox"/>	Stairs
<input type="checkbox"/> Floor	<input type="checkbox"/>	Scuttle
<input type="checkbox"/> Finished	<input type="checkbox"/>	Heated

- THE APPRAISER MUST ENTER AT MINIMUM HEAD AND SHOULDERS AND BE ABLE TO INSPECT ENTIRE AREA.
- AN ATTIC MUST HAVE ADEQUATE VENTILATION AND BE FREE FROM DEFECTS.
- HOMES WITH ATTIC ACCESS SEALED MUST BE OPENED AND INSPECTED.





MECHANICAL SYSTEMS

❖ **ALL UTILITIES SHOULD BE ON AT THE TIME OF APPRAISAL.**





UNIFORM RESIDENTIAL APPRAISAL IMPROVEMENTS

Appliances <input type="checkbox"/> Refrigerator <input type="checkbox"/> Range/Oven <input type="checkbox"/> Dishwasher <input type="checkbox"/> Disposal <input type="checkbox"/> Microwave <input type="checkbox"/> Washer/Dryer <input type="checkbox"/> Other (describe)				
Finished area above grade contains:	Rooms	Bedrooms	Bath(s)	Square Feet of Gross Living Area Above Grade
Additional features (special energy efficient items, etc.)				
Describe the condition of the property (including needed repairs, deterioration, renovations, remodeling, etc.).				
Are there any physical deficiencies or adverse conditions that affect the livability, soundness, or structural integrity of the property? <input type="checkbox"/> Yes <input type="checkbox"/> No If Yes, describe				
Does the property generally conform to the neighborhood (functional utility, style, condition, use, construction, etc.)? <input type="checkbox"/> Yes <input type="checkbox"/> No If No, describe				





PROPERTY CONDITION REQUIREMENTS

- ❖ **DETERMINE THE OVERALL QUALITY AND CONDITION OF PROPERTY.**
- ❖ **IDENTIFY ITEMS THAT REQUIRE IMMEDIATE REPAIR (HEALTH & SAFETY)**
- ❖ **IDENTIFY ITEMS WHERE MAINTENANCE HAS BEEN DEFERRED, WHICH MAY NOT REQUIRE IMMEDIATE REPAIR.**





PROPERTY CONDITION REQUIREMENTS

TYPICAL PROPERTY CONDITIONS REQUIRING FURTHER INSPECTION AND/OR REPAIR BY QUALIFIED INDIVIDUALS REFLECTED ON THE CONDITIONAL COMMITMENT, HUD 92800.5B:

- INFESTATION — EVIDENCE OF TERMITES
- INOPERATIVE OR INADEQUATE PLUMBING, HEATING OR ELECTRICAL SYSTEMS
- STRUCTURAL FAILURE IN FRAMING MEMBERS
- LEAKING OR WORN-OUT ROOFS
- CRACKED MASONRY OR FOUNDATION DAMAGE
- DRAINAGE PROBLEMS/STANDING WATER AGAINST FOUNDATION/STRUCTURAL
- HAZARDOUS MATERIAL ON THE SITE





PROPERTY CONDITION REQUIREMENTS

❖ **FHA DOES NOT REQUIRE AUTOMATIC INSPECTIONS FOR THE FOLLOWING ITEMS AND/OR CONDITIONS IN EXISTING PROPERTIES UNLESS MANDATED BY STATE OR LOCAL JURISDICTION, CUSTOMARY FOR THE AREA OR LENDER REQUIRED:**

- **WELL (INDIVIDUAL WATER SYSTEM)**
- **SEPTIC**
- **TERMITE**
- **FLAT AND/OR UNOBSERVABLE ROOF**





UNIFORM RESIDENTIAL APPRAISAL REPORT SALES COMPARISON APPROACH

There are comparable properties currently offered for sale in the subject neighborhood ranging in price from \$ to \$.

There are comparable sales in the subject neighborhood within the past twelve months ranging in sale price from \$ to \$.

COMPARABLE LISTINGS

- ❖ THE NUMBER OF COMPARABLE PROPERTIES CURRENTLY OFFERED FOR SALE, INCLUDING THOSE UNDER CONTRACT, WITHIN THE SUBJECT NEIGHBORHOOD TOGETHER WITH THE PRICE RANGE.

COMPARABLE SALES

- ❖ THE NUMBER OF COMPARABLE SALES THAT OCCURRED WITHIN THE 12-MONTH PERIOD PRECEDING THE EFFECTIVE DATE OF THE APPRAISAL, AND WITHIN THE SUBJECT NEIGHBORHOOD, TOGETHER WITH THE PRICE RANGE.





UNIFORM RESIDENTIAL APPRAISAL REPORT

SALES COMPARISON APPROACH

FEATURE	SUBJECT	COMPARABLE SALE NO. 1		COMPARABLE SALE NO. 2		COMPARABLE SALE NO. 3	
Address							
Proximity to Subject							
Sale Price	\$		\$		\$		\$
Sale Price/Gross Liv. Area	\$ sq. ft.	\$ sq. ft.		\$ sq. ft.		\$ sq. ft.	
Data Source(s)							
Verification Source(s)							
VALUE ADJUSTMENTS	DESCRIPTION	DESCRIPTION	+(-) \$ Adjustment	DESCRIPTION	+(-) \$ Adjustment	DESCRIPTION	+(-) \$ Adjustment
Sale or Financing							
Concessions							
Date of Sale/Time							





UNIFORM RESIDENTIAL APPRAISAL REPORT

SALES COMPARISON APPROACH

FEATURE	SUBJECT			COMPARABLE SALE NO. 1			COMPARABLE SALE NO. 2			COMPARABLE SALE NO. 3		
Location							Golf Course					
Leasehold/Fee Simple												
Site												
View												
Design (Style)												
Quality of Construction												
Actual Age												
Condition												
Above Grade	Total	Bdrms.	Baths	Total	Bdrms.	Baths	Total	Bdrms.	Baths	Total	Bdrms.	Baths
Room Count												
Gross Living Area	sq. ft.			sq. ft.			sq. ft.			sq. ft.		
Basement & Finished Rooms Below Grade												





UNIFORM RESIDENTIAL APPRAISAL REPORT

SALES COMPARISON APPROACH

SALES COMPARISON APPROACH	FEATURE	SUBJECT	COMPARABLE SALE NO. 1		COMPARABLE SALE NO. 2		COMPARABLE SALE NO. 3	
	Functional Utility							
	Heating/Cooling							
	Energy Efficient Items							
	Garage/Carport	3-car attach	2 car	+ 7500	2 car attach	+7500	2 car attach	+7500
	Porch/Patio/Deck		attach					
	Net Adjustment (Total)		<input checked="" type="checkbox"/> + <input type="checkbox"/> -	\$ 0	<input checked="" type="checkbox"/> + <input type="checkbox"/> -	\$ 0	<input checked="" type="checkbox"/> + <input type="checkbox"/> -	\$ 0
	Adjusted Sale Price		Net Adj. 5% %		Net Adj. 0.0% %		Net Adj. 0.0% %	
	of Comparables		Gross Adj. 15 %	\$ 115,000 0	Gross Adj. 25 %	\$ 126,000 0	Gross Adj. 0.0% %	\$ 0





UNIFORM RESIDENTIAL APPRAISAL REPORT

SALES COMPARISON APPROACH

I ☐ did ☐ did not research the sale or transfer history of the subject property and comparable sales. If not, explain _____

My research ☐ did ☐ did not reveal any prior sales or transfers of the subject property for the three years prior to the effective date of this appraisal.

Data source(s) _____

My research ☐ did ☐ did not reveal any prior sales or transfers of the comparable sales for the year prior to the date of sale of the comparable sale.

Data source(s) _____

Report the results of the research and analysis of the prior sale or transfer history of the subject property and comparable sales (report additional prior sales on page 3).

ITEM	SUBJECT	COMPARABLE SALE NO. 1	COMPARABLE SALE NO. 2	COMPARABLE SALE NO. 3
Date of Prior Sale/Transfer				
Price of Prior Sale/Transfer				
Data Source(s)				
Effective Date of Data Source(s)				

Analysis of prior sale or transfer history of the subject property and comparable sales _____





UNIFORM APPRAISAL REPORT RECONCILIATION HANDBOOK 4150.2, APPENDIX D

RECONCILIATION	Indicated Value by: Sales Comparison Approach \$	Cost Approach (if developed) \$ 0	Income Approach (if developed) \$
	<p>This appraisal is made <input type="checkbox"/> "as is," <input type="checkbox"/> subject to completion per plans and specifications on the basis of a hypothetical condition that the improvements have been completed, <input type="checkbox"/> subject to the following repairs or alterations on the basis of a hypothetical condition that the repairs or alterations have been completed, or <input type="checkbox"/> subject to the following required inspection based on the extraordinary assumption that the condition or deficiency does not require alteration or repair: _____</p>		
<p>Based on a complete visual inspection of the interior and exterior areas of the subject property, defined scope of work, statement of assumptions and limiting conditions, and appraiser's certification, my (our) opinion of the market value, as defined, of the real property that is the subject of this report is \$ _____ as of _____, which is the date of inspection and the effective date of this appraisal.</p>			





UNIFORM RESIDENTIAL APPRAISAL COST APPROACH

- ❖ THE COST APPROACH IS REQUIRED FOR:
 - MANUFACTURED HOUSING
 - UNIQUE PROPERTIES/PROPERTIES WITH SPECIALIZED IMPROVEMENTS
 - LENDER'S REQUEST
- ❖ THE NAME OF THE COST SERVICE AND REFERENCE PAGE NUMBERS OF COST TABLES OR FACTORS REQUIRED;
- ❖ REVIEWER MUST BE ABLE TO REPLICATE, AND;
- ❖ REMAINING ECONOMIC LIFE LINE MUST BE COMPLETED FOR EVERY FHA APPRAISAL INCLUDING CONDOMINIUMS.





UNIFORM RESIDENTIAL APPRAISAL REPORT INCOME APPROACH

THE INCOME APPROACH IS NOT
REQUIRED FOR FHA APPRAISALS
COMPLETED ON THE UNIFORM
RESIDENTIAL APPRAISAL REPORT,
FANNIE MAE FORM 1004.



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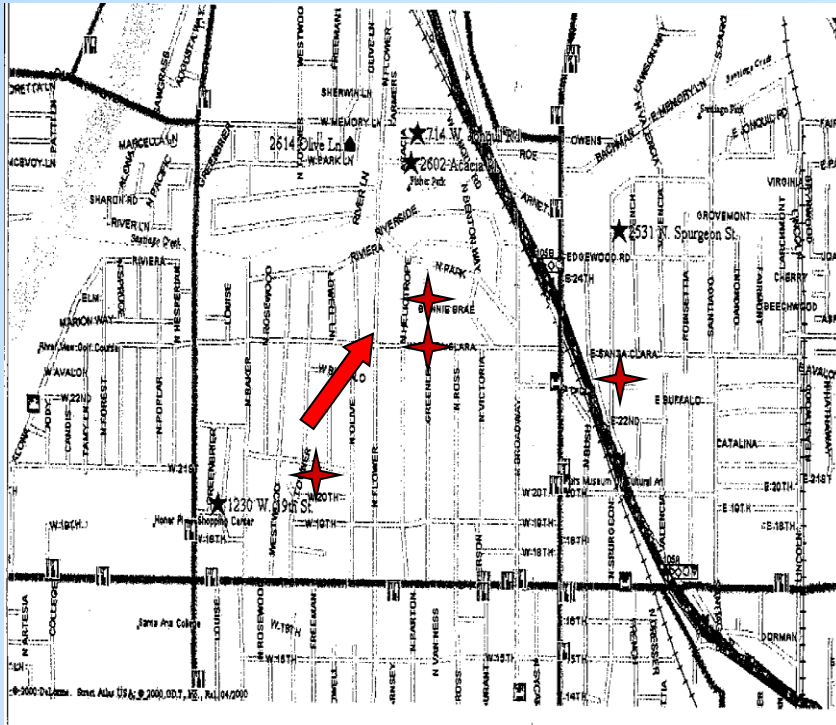
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REQUIRED EXHIBITS



Location Map

❖ MAPS

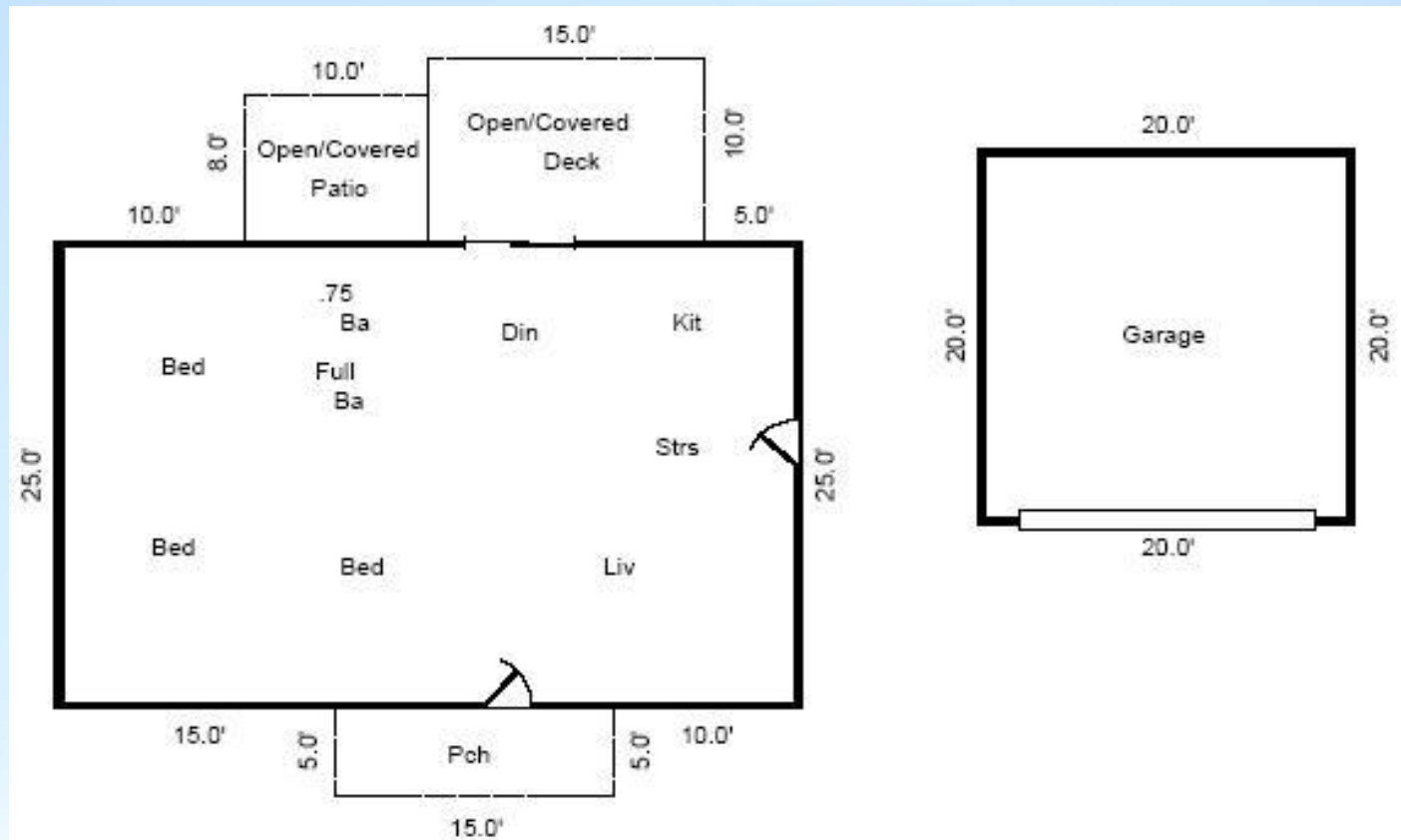
- ❖ LOCAL STREET MAP SHOWING LOCATION OF SUBJECT & EACH COMPARABLE SALE
- ❖ SHOW PROPOSED ROADWAYS AND STREET NAMES





REQUIRED EXHIBITS

SKETCH





REQUIRED EXHIBITS PHOTOGRAPHS

PHOTOGRAPHS ARE TO:

- SHOW FRONT AND REAR AT OPPOSITE ANGLES TO SHOW ALL SIDES OF SUBJECT PROPERTY AND ALL IMPROVEMENTS
- SHOW STREET SCENE
- INCLUDE AT LEAST A SINGLE PHOTO OF EACH COMPARABLE
- SHOW THE GRADE OF THE VACANT LOT; PROPOSED CONSTRUCTION
- BE TAKEN BY APPRAISER (NO PEOPLE IN PHOTOS)
- BE ORIGINAL PHOTOGRAPHS, MLS PHOTOS ARE NOT TO BE USED AS PRIMARY PHOTO





COMMON DEFICIENCIES - PHOTOGRAPHS



**PHOTOS REFLECTING SILHOUETTES OR “BLACK BLOBS”
ARE NOT ACCEPTABLE**

IMAGED PHOTOS & DOCUMENTS MUST ALSO BE CLEAR



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Market Conditions Addendum to the Appraisal Report

File No.

The purpose of this addendum is to provide the lender/client with a clear and accurate understanding of the market trends and conditions prevalent in the subject neighborhood. This is a required addendum for all appraisal reports with an effective date on or after April 1, 2009.

Property Address City State ZIP Code

Borrower

Instructions: The appraiser must use the information required on this form as the basis for his/her conclusions, and must provide support for those conclusions, regarding housing trends and overall market conditions as reported in the Neighborhood section of the appraisal report form. The appraiser must fill in all the information to the extent it is available and reliable and must provide analysis as indicated below. If any required data is unavailable or is considered unreliable, the appraiser must provide an explanation. It is recognized that not all data sources will be able to provide data for the shaded areas below; if it is available, however, the appraiser must include the data in the analysis. If data sources provide the required information as an average instead of the median, the appraiser should report the available figure and identify it as an average. Sales and listings must be properties that compete with the subject property, determined by applying the criteria that would be used by a prospective buyer of the subject property. The appraiser must explain any anomalies in the data, such as seasonal markets, new construction, foreclosures, etc.

Inventory Analysis	Prior 7-12 Months	Prior 4-6 Months	Current - 3 Months	Overall Trend		
Total # of Comparable Sales (Settled)				<input type="checkbox"/> Increasing	<input type="checkbox"/> Stable	<input type="checkbox"/> Declining
Absorption Rate (Total Sales/Months)				<input type="checkbox"/> Increasing	<input type="checkbox"/> Stable	<input type="checkbox"/> Declining
Total # of Comparable Active Listings				<input type="checkbox"/> Declining	<input type="checkbox"/> Stable	<input type="checkbox"/> Increasing
Months of Housing Supply (Total Listings/Ab.Rate)				<input type="checkbox"/> Declining	<input type="checkbox"/> Stable	<input type="checkbox"/> Increasing
Median Sale & List Price, DOM, Sale/List %	Prior 7-12 Months	Prior 4-6 Months	Current - 3 Months	Overall Trend		
Median Comparable Sale Price				<input type="checkbox"/> Increasing	<input type="checkbox"/> Stable	<input type="checkbox"/> Declining
Median Comparable Sales Days on Market				<input type="checkbox"/> Declining	<input type="checkbox"/> Stable	<input type="checkbox"/> Increasing
Median Comparable List Price				<input type="checkbox"/> Increasing	<input type="checkbox"/> Stable	<input type="checkbox"/> Declining
Median Comparable Listings Days on Market				<input type="checkbox"/> Declining	<input type="checkbox"/> Stable	<input type="checkbox"/> Increasing
Median Sale Price as % of List Price				<input type="checkbox"/> Increasing	<input type="checkbox"/> Stable	<input type="checkbox"/> Declining
Seller-(developer, builder, etc.) paid financial assistance prevalent? <input type="checkbox"/> Yes <input type="checkbox"/> No				<input type="checkbox"/> Declining	<input type="checkbox"/> Stable	<input type="checkbox"/> Increasing

Explain in detail the seller concessions trends for the past 12 months (e.g., seller contributions increased from 3% to 5%, increasing use of buydowns, closing costs, condo fees, options, etc.).



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APPRAISAL PRACTICES IN A DECLINING MARKET

UNDERWRITER RESPONSIBILITIES

- ❖ REVIEW COMMENTS IN THE NEIGHBORHOOD SECTION TO DETERMINE IF THE INFORMATION IS ADEQUATELY SUPPORTED BY THE DATA ON THE 1004MC.
- ❖ IF NOT, OBTAIN FURTHER SUPPORT FOR THE SUBJECT'S VALUE THROUGH ADDITIONAL SALES DATA FROM THE APPRAISER AND/OR AN ONLINE RESOURCE OR A REVIEW APPRAISAL.





90 DAY FLIPPING RULE SUSPENDED FOR FORWARD MORTGAGES

**CASES WITH A SALE DATE ON OR AFTER
FEBRUARY 1, 2010 THAT WERE
PREVIOUSLY SOLD WITHIN 90 DAYS ARE
NOW ALLOWED TO BE PROCESSED FOR
MORTGAGE ENDORSEMENT.**



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WHEN IS A SECOND APPRAISAL REQUIRED?

A LENDER MUST OBTAIN A SECOND APPRAISAL BY ANOTHER APPRAISER IF THE RE-SALE DATE OF A PROPERTY IS BETWEEN 91 AND 180 DAYS FOLLOWING THE ACQUISITION OF THE PROPERTY BY THE SELLER,

AND

THE RESALE PRICE IS 100 PERCENT OR MORE OVER THE PRICE PAID BY THE SELLER WHEN THE PROPERTY WAS ACQUIRED.

WHEN MUST THE MORTGAGE AMOUNT BE REDUCED?

IF THE SECOND APPRAISAL HAS AN ESTIMATED VALUE MORE THAN 5% LOWER THAN THE ORIGINAL APPRAISAL , THE MAXIMUM MORTGAGE MUST BE CALCULATED UPON THE LOWER OF THE TWO APPRAISED VALUES.



CONDITIONAL COMMITMENT

Conditional Commitment Direct Endorsement Statement of Appraised Value

U.S. Department of Housing
and Urban Development
Office of Housing
Federal Housing Commissioner

OMB Approval No. 2502-0404
(exp. 04/30/2007)

General Commitment Conditions

1. Maximum Mortgage Amount and Terms

(a) Occupant Mortgage: Mortgage amount and terms assume satisfactory owner-occupant mortgage(s). They may be changed depending upon the rating of borrower, higher income and credit.

(b) Change: the Commissioner or Direct Endorsement (DE) Underwriter may, after reviewing pertinent information, change the mortgage amount and term.

2. Approval of Borrower

A determination for approval will be based upon receipt of acceptable application for mortgage credit analysis.

3. **Valuation Period:** This document expires six months from the issue date in the case of an "existing" house or no more than twelve months from its date for "proposed" construction, or 200% rehabilitation loan. A shorter period may be imposed by HUD for proposed construction. All cases are classified as "existing"

or "proposed" for the purpose of determining expiration date. Accordingly a house, even though still under construction, may be classified as an existing house if it was not approved by HUD, VA, or a DE Lender prior to beginning of construction. Lower loan-to-value ratios will be applied unless construction exhibits are certified by builder as meeting applicable codes and HUD requirements and are covered by a HUD approved insured 10-year protection (warranty) plan.

4. **Renewal:** This document may be cancelled after 60 days from the date of issuance if construction has not started.

5. **Property Standards:** All construction, repairs, or alterations proposed in the application or on the construction exhibits returned herewith must equal or exceed applicable codes and HUD requirements.

Information: The estimates of the insurance and taxes are furnished for mortgagee's and mortgage's information. They must be used to prepare the Addendum to the Uniform Residential Loan Application, form HUD-90200-A, when a firm commitment is desired.

Commitment Terms

Conditional Commitment for Mortgage
Insurance under the National Housing Act, Sec.

B

By:

Lender ID
Specimen Agent

Mortgagee

☐

See below

Action Date
FHA Case No.
INST Case Ref. No.

C

A

Est. Value of Prop. (d)

Property Address:

D

☒ Existing
(see gen. cond. 3)

P

Commitment Issued
Commitment Expires
Improved Living
Area Sq. Ft.

E

Monthly Expense Estimate

Fire Insurance \$
Taxes \$

F

Condo. Cons. Exp. ... \$
Total \$

Specific Commitment Conditions (Applicable when checked)

HUD is committed to insure a mortgage on this property to depth of the completion of the conditions listed below.

HUD Does Not Guarantee

Estimated Remaining Economic Life of this property is
This property ☐ is, ☐ is not, eligible for making (high loan-to-value ratio mortgage).

H

☐ Manufactured Housing

☐ **Assurance of Completion:** If the required repairs cannot be completed prior to submission of closing papers, form HUD-90200 made in the amount of \$ (or such additional amount as the lender desires) may be established as the means to ensure completion.

☐ See indicated additional items on attached
☐ See the following additional conditions on the back:

G

Case Binder Copy

Form HUD-90200-55 (9/2004)
Ref. Handbook 4-150.1



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PAGE TWO OF CONDITIONAL COMMITMENT

Public reporting burden for this collection of information is estimated to average seven minutes per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. This information is required to obtain benefits. HUD may not collect this information, and you are not required to complete this form, unless it displays a currently valid OMB control number.

Section 203 of the National Housing Act authorizes the Secretary of the Department of Housing and Urban

Development to insure mortgages on appraisal and commitment/direct endorsement statement of appraised value on a designated property. This form serves as the application for individual "proposed construction" and "existing construction" properties.

The Conditional Commitment / Direct Endorsement Statement of Appraised Value (Form HUD-92800.5B) sets forth the terms upon which the commitment/direct endorsement statement of appraised value is made and the specific conditions that must be met before HUD can endorse a Firm Commitment for Mortgage Insurance.

Responses to the collection of information are required to obtain mortgage insurance. Information contained in these collections will be used only for the purpose of determining the eligibility of a property for mortgage insurance. The information is considered confidential. While no assurances of confidentiality are pledged to respondents, HUD generally discloses this data only in response to a Freedom of Information request.

Specific Commitment Conditions (Applicable when indicated on the front of this form)

- B. **Proposed Construction:** The builder or mortgagee must notify the assigned Fee Inspector as appropriate (see items 11, 12, and 13 below).
- C. **Warranty:** Form HUD-92544 is required on all new construction and shall be executed between the builder and the purchaser.
- D. **Section 223:** This commitment is issued pursuant to Section 223(e).
- E. **Health Authority Approval:** Submit local health authority approval (on a form or letter) indicating the individual water supply and/or sewage disposal system is acceptable.
- F. **Reserved.**
- G. **Prefabricator's Certificate:** The Lender shall provide a prefabrication certificate as required by the related engineering bulletin.
- H. **Termite Control:** (Proposed Construction) If soil poisoning is used, the builder shall complete form HUD-92052, Termite Soil Treatment Guarantee, and transmit a copy to HUD or the Direct Endorsement Underwriter. The Mortgagee will deliver the original and a copy to the mortgagor at closing.
- 4. **Flood Insurance Requirement:** This property is located in a special flood hazard area and must be covered by flood insurance in accordance with HUD regulation 24 CFR 203.16a.
- 5. **Carpet Identification:** (as listed in Certified Products Directory) Manufacturer recommended maintenance program must be provided to the homebuyer.
- 6. **Termite Control** (Existing Construction): A recognized termite control operator shall furnish certification using form NCPA-1, or State-mandated form, that the house and other

structures within the legal boundaries of the property indicate no evidence of active termite infestation.

- 7. **Code Enforcement:** The lender shall submit a statement from the public authority that the property meets local code requirements. If the mortgage on the property is to be insured under Section 221(d)(2), a code compliance inspection is required.
- 8. **Repairs:** The lender shall notify the original appraiser upon completion of required repairs, unless otherwise instructed.
- 9. **Lender's Certificate of Completion:** The lender shall furnish a certificate that required repairs have been examined and were satisfactorily completed.
- 10. **Manufacturers Warranties** must be provided to the homebuyer covering heating/cooling systems, hot water heaters, ranges, etc.
- 11. **Initial Inspection** (2 working days) is requested before the "beginning of construction" with forms in place.
- 12. **Frame Inspection** (1 working day) is requested when the building is enclosed and framing, plumbing, heating, electrical, and insulation is complete and visible.
- 13. **Final Inspection** is requested when construction is completed and the property ready for occupancy.
- 14. **Insulation Certificate** must be posted in a conspicuous location in the dwelling.
- 15. **The Insured Protection Plan Warranty Agreement** shall be executed between the builder and the homebuyer.
- 16. The lender shall furnish a certificate of occupancy or letter of acceptance from the local building authority.



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**Direct Endorsement Underwriter/
HUD Reviewer
Analysis of Appraisal Report**

U.S. Department of Housing
and Urban Development
Office of Housing
Federal Housing Commissioner

OMB Approval No. 2502-0477 (exp. 11/30/2009)

Public reporting burden for this collection of information is estimated to average 3 minutes per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information.

This agency may not collect this information, and you are not required to complete this form, unless it displays a currently valid OMB control number.

Borrower's Name	FHA Case Number	Lender Loan Number
Property Address	Appraiser's Name	
	Appraiser's Estimate of Value: \$	
1. Does the appraisal report present a consistent and fair analysis of the property? <input type="checkbox"/> Yes <input type="checkbox"/> No (Explain)		
2. Comment on the report's quality, completeness, consistency, and accuracy.		
3. Are the comparables acceptable? <input type="checkbox"/> Yes <input type="checkbox"/> No (If not, the appraisal should be returned to the appraiser.)		
4. Are the adjustments acceptable both as to items adjusted and the amount allocated to each item adjusted? <input type="checkbox"/> Yes <input type="checkbox"/> No (Explain)		
5. Is the value acceptable for HUD/FHA loan purposes? <input type="checkbox"/> Yes <input type="checkbox"/> No If not, should it be corrected? <input type="checkbox"/> Yes <input type="checkbox"/> No Value for HUD/FHA loan purposes \$. Provide justification for correction.		
6. Repair Conditions		
7. Other Comments		
DE Underwriter (Name)	CHUMS Number	Date
DE Underwriter Signature		
HUD Reviewer (Name and Signature)		

form HUD-54114 (2/93)
ref. Handbook 4000.4

*THE DIRECT
ENDORSEMENT
UNDERWRITER/HUD
REVIEWER ANALYSIS
OF APPRAISAL
REPORT (HUD-54114)
IS USED TO MODIFY
VALUE OR FOR
COMMENTS.*



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FNMA 1004D

Appraisal Update and/or Completion Report

File #

The purpose of this report form is to provide the lender/client with an accurate update of an appraisal and/or to report a certification of completion. The appraiser must identify the service(s) provided by selecting the appropriate report type.

Property Address		Unit #
City	State	Zip Code
Legal Description		County
Borrower	Contract Price \$	Date of Contract
Effective Date of Original Appraisal		
Property Rights Appraised <input type="checkbox"/> Fee Simple <input type="checkbox"/> Leasehold <input type="checkbox"/> Other (describe)		Original Appraised Value \$
Original Appraiser		Company Name
Original Lender/Client		Address

☒ SUMMARY APPRAISAL UPDATE REPORT

INTENDED USE: The intended use of this appraisal update is for the lender/client to evaluate the property that is the subject of this report to determine if the property has declined in value since the date of the original appraisal for a mortgage finance transaction.

INTENDED USER: The intended user of this appraisal update is the lender/client.

SCOPE OF WORK: The appraiser must, at a minimum: (1) concur with the original appraisal, (2) perform an exterior inspection of the subject property from at least the street, and (3) research, verify, and analyze current market data in order to determine if the property has declined in value since the effective date of the original appraisal.

HAS THE MARKET VALUE OF THE SUBJECT PROPERTY DECLINED SINCE THE EFFECTIVE DATE OF THE ORIGINAL APPRAISAL? ☐ Yes ☐ No

APPRAISER'S CERTIFICATION: The appraiser certifies and agrees that:

1. I have, at a minimum, developed and reported this appraisal update in accordance with the scope of work requirements stated in this appraisal update report and concur with the analysis and conclusions in the original appraisal.
2. I performed this appraisal update in accordance with the requirements of the Uniform Standards of Professional Appraisal Practice that were Friday, March



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FORMS



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APPRAISAL FORMS

- **FORM 1004 UNIFORM RESIDENTIAL APPRAISAL REPORT:** APPRAISAL OF A ONE-UNIT PROPERTY (INCLUDING INDIVIDUAL UNIT IN A PUD)
- **FORM 1004C MANUFACTURED HOME APPRAISAL REPORT:** APPRAISAL OF A MANUFACTURED HOME (INCLUDING A MANUFACTURED HOME IN A PUD OR CONDOMINIUM PROJECT)
- **FORM 1073 INDIVIDUAL CONDOMINIUM UNIT APPRAISAL REPORT**
- **FORM 1025 SMALL RESIDENTIAL INCOME PROPERTY APPRAISAL REPORT:** APPRAISAL OF A TWO-UNIT TO FOUR-UNIT PROPERTY
- **MARKET CONDITIONS ADDENDUM, FORM 1004MC**
- **FNMA 1004D, APPRAISAL UPDATE AND/OR COMPLETION FORM**
- **FORM HUD-92051 COMPLIANCE INSPECTION REPORT:** COMPLETION REPORT FOR ALL ONE-UNIT TO FOUR-UNIT APPRAISAL REPORTS





APPRAISAL CONSTRUCTION EXHIBITS

- ❖ UNDER CONSTRUCTION 90% OR MORE COMPLETE
 - BUILDER'S CERTIFICATION OF PLANS, SPECIFICATIONS AND SITE
 - APPRAISER NOTES ANY REPAIRS AND/OR ALTERATIONS REQUIRED
 - APPRAISAL IS COMPLETED "... SUBJECT TO THE FOLLOWING REPAIRS OR ALTERATIONS ..." AND A FINAL INSPECTION BY A FEE INSPECTOR OR LOCAL AUTHORITY, I.E. CERTIFICATE OF OCCUPANCY.



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APPRAISAL SERVING AS FINAL INSPECTION

THE APPRAISER IS REQUIRED TO:

- TAKE ADDITIONAL PHOTOGRAPHS OF EACH DIAGONALLY OPPOSITE FRONT AND REAR CORNER OF THE HOUSE TO RECORD ADEQUATE GRADING AND DRAINAGE OF THE SITE
- MUST COMMENT IN THE APPRAISAL REPORT ON THE ACCEPTANCE OF THE GRADING AND DRAINAGE
- CAN THE APPRAISAL SERVE AS A FINAL INSPECTION ON MANUFACTURED HOUSING?

RECONCILIATION	Indicated Value by: Sales Comparison Approach \$	Cost Approach (if developed) \$ 0	Income Approach (if developed) \$
	This appraisal is made <input type="checkbox"/> "as is," <input type="checkbox"/> subject to completion per plans and specifications on the basis of a hypothetical condition that the improvements have been completed, <input type="checkbox"/> subject to the following repairs or alterations on the basis of a hypothetical condition that the repairs or alterations have been completed, or <input type="checkbox"/> subject to the following required inspection based on the extraordinary assumption that the condition or deficiency does not require alteration or repair:		
	Based on a complete visual inspection of the interior and exterior areas of the subject property, defined scope of work, statement of assumptions and limiting conditions, and appraiser's certification, my (our) opinion of the market value, as defined, of the real property that is the subject of this report is \$		
	as of , which is the date of inspection and the effective date of this appraisal.		



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Builder's Certification of Plans, Specifications, & Site

U.S. Department of Housing
and Urban Development
Office of Housing
Federal Housing Commissioner

OMB Approval No. 2502-0496
(exp. 08/31/2012)

Property Address (street, city, State, & zip code)	Subdivision Name
Mortgagee's (Lender's) Name & Address (this is the lender who closed the loan)	FHA Case Number
	Phone Number

1. Site Analysis Information: To be completed on all proposed and newly constructed properties regardless of LTV ratio.

- a. **Flood Hazards.** Are the property improvements in a Special Flood Hazard Area (SFHA)? ☐ Yes ☐ No
- 1) Provide the community number and date of the Flood Insurance Rate Map (FIRM) used to document your answer. Community Number _____ Map Date _____
- 2) Is the community participating in the National Flood Insurance Program and in good standing? ☐ Yes ☐ No
- 3) If "Yes" to 1a. above, attach:
- (i) a Letter of Map Amendment (LOMA) or;
- (ii) a Letter of Map Revision (LOMR) or;
- (iii) a signed Elevation Certificate documenting that the lowest floor (including basement) is built in compliance with 24 CFR 200.926d(c)(4).
- b. **Noise.** Is the property located within 1000 feet of a highway, freeway, or heavily traveled road? ☐ Yes ☐ No
- Within 3000 feet of a railroad? ☐ Yes ☐ No
- Within one mile of a civil airfield or 5 miles of a military airfield? ☐ Yes ☐ No
- c. **Runway Clear Zones / Clear Zones.** Is the property within 3000 feet of a civil or military airfield? ☐ Yes ☐ No
- If "Yes," is the property in a Runway Clear Zone / Clear Zone? ☐ Yes ☐ No
- d. **Explosive /Flammable Materials Storage Hazard.** Does the property have an unobstructed view, or is it located within 2000 feet, of any facility handling or storing explosive or fire prone materials? ☐ Yes ☐ No
- e. **Toxic Waste Hazards.** Is property within 3000 feet of a dump or landfill, or a site on an EPA Superfund (NPL) list or equivalent State list? ☐ Yes ☐ No
- f. **Foreseeable Hazards or Adverse Conditions.**
- (1) Does the site have any rock formations, high ground water levels, inadequate surface drainage, springs, sinkholes, etc.? ☐ Yes ☐ No
- (2) Does the site have unstable soils (expansive, collapsible, or erodible)? ☐ Yes ☐ No
- (3) Does the site have any excessive slopes? ☐ Yes ☐ No
- (4) Does the site have any earth fill? ☐ Yes ☐ No
- If "Yes" will foundations, slabs, or flatwork rest on the fill? ☐ Yes ☐ No



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FACTORY BUILT HOMES

MANUFACTURED HOMES

ARE CONSTRUCTED
TO COMPLY WITH THE
FEDERAL
MANUFACTURED
HOME
CONSTRUCTION &
SAFETY STANDARDS.

MODULAR

A.K.A. FACTORY-BUILT; ARE
CONSTRUCTED TO COMPLY
WITH THE LOCAL STATE
CODES AND THE UNIFORM
BUILDING CODE (UBC) OR
INTERNATIONAL
RESIDENTIAL CODE (IRC)

**MOBILE HOMES – CONSTRUCTED PRIOR TO JUNE 15,
1976, THE EFFECTIVE DATE OF THE FEDERAL HUD
CODE (UNINSURABLE)**



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Manufactured Home Appraisal Report

File #

The purpose of this summary appraisal report is to provide the lender/client with an accurate, and adequately supported, opinion of the market value of the subject property.

Property Address	City	State	Zip Code
Borrower	Owner of Public Record	County	
Legal Description			
Assessor's Parcel #	Tax Year	R.E. Taxes \$	
Neighborhood Name	Map Reference	Census Tract	
SUB J E C T Occupant <input type="checkbox"/> Owner <input type="checkbox"/> Tenant <input type="checkbox"/> Vacant Project Type (if applicable) <input type="checkbox"/> PUD <input type="checkbox"/> Condominium <input type="checkbox"/> Cooperative <input type="checkbox"/> Other (describe)			
Special Assessments \$	HOA \$	<input type="checkbox"/> per year <input type="checkbox"/> per month	
Property Rights Appraised <input type="checkbox"/> Fee Simple <input type="checkbox"/> Leasehold <input type="checkbox"/> Other (describe)			
Assignment Type <input type="checkbox"/> Purchase Transaction <input type="checkbox"/> Refinance Transaction <input type="checkbox"/> Other (describe)			
Lender/Client	Address		
Is the subject property currently offered for sale or has it been offered for sale in the twelve months prior to the effective date of this appraisal? <input type="checkbox"/> Yes <input type="checkbox"/> No			
Report data source(s) used, offering price(s), and date(s).			

Manufactured homes located in either a condominium or cooperative project require the appraiser to inspect the project and complete the Project Information section of the Individual Condominium Unit Appraisal Report or the Individual Cooperative Interest Appraisal Report and attach it as an addendum to this report.

I ☐ did ☐ did not analyze the contract for sale for the subject purchase transaction. Explain the results of the analysis of the contract for sale or why the analysis was not performed.

CONTRACT
 Contract Price \$ Date of Contract Is the property seller the owner of public record? ☐ Yes ☐ No Data Source(s)
 Is there any financial assistance (loan charges, sale concessions, gift or downpayment assistance, etc.) to be paid by any party on behalf of the borrower? ☐ Yes ☐ No
 If Yes, report the total dollar amount and describe the items to be paid.

I ☐ did ☐ did not analyze the manufacturer's invoice. Explain the results of the analysis of the manufacturer's invoice or why the analysis was not performed.

Retailer's Name (New Construction)



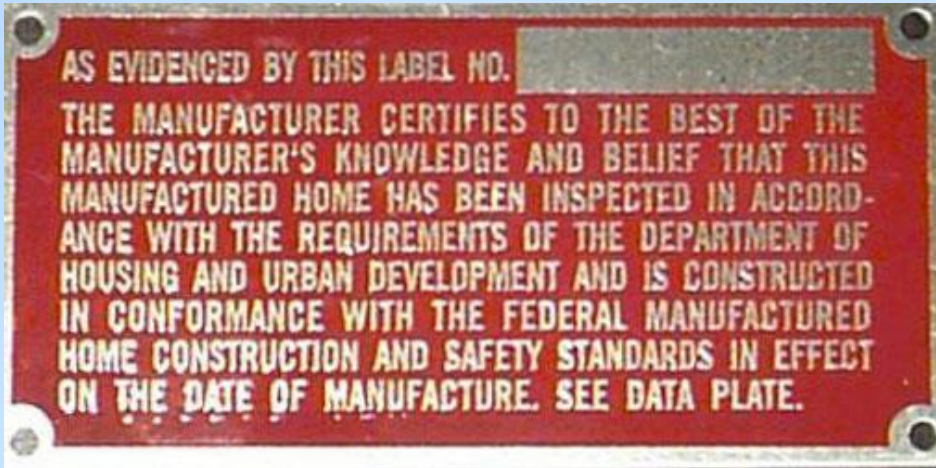
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HUD CERTIFICATION LABEL; “RED TAG”



HUD CERTIFICATION
LABEL *MUST* BE
AFFIXED TO THE TAIL-
LIGHT END OF EACH
TRANSPORTABLE
SECTION



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HUD
DATA
PLATE

The HUD Data Plate/Compliance Certificate is located on the interior of the subject and co-manufactured and serial number. The HUD Certification Label is located on the exterior of

Is the HUD Data Plate/Compliance Certificate attached to the dwelling? ☐ Yes ☐ No
Plate/Compliance Certificate information.

Is a HUD Certification Label attached to the exterior of each section of the dwelling?

Manufacturer's Serial #(s)/VIN #(s)

HUD Certification Label #(s)

Manufacturer's Name

Trade/Model

Do the Wind, Roof Load, and Thermal Zones meet the minimum HUD requirements for

DATA PLATE

HUD

CERTIFICATION
LABEL NUMBER

SERIAL NUMBER

HAWAIIAN PALISADE
91-080 HAWAII ST
KIPOLEI, OAHU, HI
96707
3-7-02
NPHI 1011022 H3
NTH
WHIRLPOOL 465511
WHIRLPOOL 87511-40
WHIRLPOOL 8229372
INDIAN KITCHEN 371445
0.039
0.037
0.036
0.23
36



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MISSING HUD LABEL ?

- ❖ OBTAIN THE LABEL AND/OR SERIAL NUMBER FROM DATA PLATE OR CHASSIS.
- ❖ WEBSITE FOR IBTS:
 - ❖ WWW.IBTS.ORG/LABELREQ.HTM
 - ❖ FREEDOM OF INFORMATION ACT
[HTTP://HUD.GOV/OFFICES/OGC/FOIA/FOIA.CFM](http://HUD.GOV/OFFICES/OGC/FOIA/FOIA.CFM)





SELECTION OF COMPARABLES

Manufactured Home Appraisal Report

File #

There are comparable properties currently offered for sale in the subject neighborhood ranging in price from \$		to \$					
There are comparable sales in the subject neighborhood within the past twelve months ranging in sale price from \$		to \$					
FEATURE	SUBJECT	COMPARABLE SALE # 1	COMPARABLE SALE # 2	COMPARABLE SALE # 3			
Address							
Proximity to Subject							
Sale Price	\$	\$	\$	\$			
Sale Price/Gross Liv. Area	\$ sq. ft.	\$ sq. ft.	\$ sq. ft.	\$ sq. ft.			
Manufactured Home	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No			
Data Source(s)							
Verification Source(s)							
VALUE ADJUSTMENTS	DESCRIPTION	DESCRIPTION	+(-) \$ Adjustment	DESCRIPTION	+(-) \$ Adjustment	DESCRIPTION	+(-) \$ Adjustment
Sale or Financing Concessions							
Date of Sale/Time							
Location							
Leasehold/Fee Simple							
Site							
View							
Design (Style)							
Quality of Construction							
Actual Age							
Condition							
Above Grade	Total Bdrms. Baths	Total Bdrms. Baths		Total Bdrms. Baths		Total Bdrms. Baths	
Room Count							
Gross Living Area	sq. ft.	sq. ft.		sq. ft.		sq. ft.	
Basement & Finished Rooms Below Grade							

AT LEAST TWO
OF THE
COMPARABLE
SALES MUST BE
MANUFACTURED





MANUFACTURED HOME: COST APPROACH

Provide adequate information for the lender/client to replicate the below cost figures and calculations.

Support for the opinion of site value (summary of comparable land sales or other methods for estimating site value)

ESTIMATED ☐ REPRODUCTION OR ☐ REPLACEMENT COST NEW

Source of cost data

Effective date of cost data

Quality rating from co

OPINION OF SITE VALUE

\$

Exterior Dimensions of the

Section One

Sq. ft. @ \$

\$

X

Section Two

Sq. ft. @ \$

\$

X

Section Three

Sq. ft. @ \$

\$

X

Section Four

Sq. ft. @ \$

\$

X

\$

Total Gross Living Area:

\$

Other Data Identif

\$

N.A.D.A. Data Identification Info: Edition Mo:

Sub-total:

\$

MH State:

Region:

Size:

Cost Multiplier (if applicable):

x

Gray pg.

White pg.

Modified Sub-total:

15 years and older Conversion Chart pg.

Physical Depreciation or Condition Modifier:

Comments

Functional Obsolescence (not used for N.A.D.A.):

External Depreciation or State Location Modifier:

Delivery, Installation, and Setup (not used for N.A.D.A.):

\$

Other Depreciated Site Improvements:

\$

Market Value of Subject Site (as supported above):

\$

C
O
S
T

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P
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R
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A
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H



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U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT
WASHINGTON, DC 20410-8000
ASSISTANT SECRETARY FOR HOUSING-
FEDERAL HOUSING COMMISSIONER

May 21, 2009

MORTGAGEE LETTER 2009-16

TO: ALL APPROVED MORTGAGEES
ALL APPROVED APPRAISERS

SUBJECT: Manufactured Housing Policy Guidance – Property and Underwriting Eligibility

This Mortgagee Letter provides guidance on manufactured housing eligibility requirements for Federal Housing Administration (FHA) mortgage insurance under Title II of the National Housing Act. Changes to manufactured housing requirements for new and existing construction were made by the Housing and Economic Recovery Act of 2008 (Public Law 110-289, approved July 30, 2008) (HERA). This mortgagee letter addresses those changes that can be implemented immediately.

I. DEFINITIONS

A. Anchorage – Connection between superstructure and foundation, by means of

MORTGAGEE LETTER 2009-16

SUBJECT: MANUFACTURED HOUSING POLICY GUIDANCE – PROPERTY AND UNDERWRITING ELIGIBILITY



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CONDO OR PUD?

CONDOMINIUM

- ANY MORTGAGE COVERING A ONE-FAMILY UNIT IN A PROJECT COUPLED WITH AN UNDIVIDED INTEREST IN THE COMMON AREAS AND FACILITIES WHICH SERVE THE PROJECT.
 - MAY INCLUDE DWELLING UNITS IN DETACHED, SEMI-DETACHED, ROW GARDEN-TYPE, LOW OR HIGH RISE STRUCTURES.
- * NOTE: REMAINING ECONOMIC LIFE IS TO BE ENTERED IN THE RECONCILIATION SECTION OF THE FORM 1073 AS A STATEMENT SIMILAR TO THAT CONTAINED IN THE COST APPROACH SECTION OF THE OTHER THREE FHA APPROVED FORMS, I.E., “ESTIMATED REMAINING ECONOMIC LIFE ____ YEARS”.

PUD (PLANNED UNIT DEVELOPMENT)

- THE DEVELOPMENT CONTAINS COMMON AREAS AND FACILITIES OWNED BY A HOMEOWNERS’ ASSOCIATION WHICH ALL HOMEOWNERS MUST BELONG AND PAY LIEN-SUPPORTED ASSESSMENTS.





Individual Condominium Unit Appraisal Report

File #

The purpose of this summary appraisal report is to provide the lender/client with an accurate, and adequately supported, opinion of the market value of the subject property.

Property Address	Unit #	City	State	Zip Code
Borrower	Owner of Public Record		County	
Legal Description				
Assessor's Parcel #	Tax Year		R.E. Taxes \$	
Project Name	Phase #	Map Reference	Census Tract	
Occupant <input type="checkbox"/> Owner <input type="checkbox"/> Tenant <input type="checkbox"/> Vacant	Special Assessments \$		HOA \$	<input type="checkbox"/> per year <input type="checkbox"/> per month
Property Rights Appraised <input type="checkbox"/> Fee Simple <input type="checkbox"/> Leasehold <input type="checkbox"/> Other (describe)				
Assignment Type <input type="checkbox"/> Purchase Transaction <input type="checkbox"/> Refinance Transaction <input type="checkbox"/> Other (describe)				
Lender/Client	Address			
Is the subject property currently offered for sale or has it been offered for sale in the twelve months prior to the effective date of this appraisal? <input type="checkbox"/> Yes <input type="checkbox"/> No				
Report data source(s) used, offering price(s), and date(s).				

THIS FORM IS DESIGNED TO REPORT AN APPRAISAL OF A UNIT IN A CONDOMINIUM PROJECT BASED ON AN INTERIOR AND EXTERIOR INSPECTION OF THE SUBJECT PROPERTY.



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CONDOMINIUMS ARE SET FORTH IN THE CODE OF FEDERAL REGULATIONS

P R O J E C T I N F O R M A	Data source(s) for project information					
	Project Description <input type="checkbox"/> Detached <input type="checkbox"/> Row or Townhouse <input type="checkbox"/> Garden <input type="checkbox"/> Mid-Rise <input type="checkbox"/> High-Rise <input type="checkbox"/> Other (describe)					
	General Description		General Description		Subject Phase	
	# of Stories		Exterior Walls		# of Units	
	# of Elevators		Roof Surface		# of Units Completed	
	<input type="checkbox"/> Existing <input type="checkbox"/> Proposed		Total # Parking		# of Units For Sale	
	<input type="checkbox"/> Under Construction		Ratio (spaces/units)		# of Units Sold	
	Year Built		Type		# of Units Rented	
	Effective Age		Guest Parking		# of Owner Occupied Units	
	Project Primary Occupancy <input type="checkbox"/> Principle Residence <input type="checkbox"/> Second Home or Recreational <input type="checkbox"/> Tenant					
Is the developer/builder in control of the Homeowners' Association (HOA)? <input type="checkbox"/> Yes <input type="checkbox"/> No						
Management Group - <input type="checkbox"/> Homeowners' Association <input type="checkbox"/> Developer <input type="checkbox"/> Management Agent - Provide name of management company.						
Does any single entity (the same individual, investor group, corporation, etc.) own more than 10% of the total units in the project? <input type="checkbox"/> Yes <input type="checkbox"/> No If Yes, describe						

FHA APPROVED CONDO PROJECT
[HTTPS://ENTP.HUD.GOV/IDAPP/HTML/CONDLOOK.CFM](https://entp.hud.gov/idapp/html/condlook.cfm)
CONDOMINIUM APPROVAL PROCESS—SINGLE FAMILY
HOUSING
MORTGAGEE LETTER 09-19



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RESOURCES



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HANDBOOKS

- ❖ 4150.2 (6/99) VALUATION ANALYSIS
- ❖ 4145.1 REV 2 (12/91) ARCHITECTURAL PROCESSING & INSPECTIONS
- ❖ 4905.1 REV 1 (3/91) REQUIREMENTS FOR EXISTING 1-4 FAMILY UNITS
- ❖ 4910.1 (7/94) APPENDIX K, MPS
 - ❖ PROPOSED CONSTRUCTION — 1-4 FAMILY



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QUESTIONS



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ENERGY EFFICIENT MORTGAGE PROGRAM



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WHAT IS AN EEM?

1. ALLOWS BORROWERS TO UPGRADE THE ENERGY EFFICIENCY OF THEIR HOME AND FINANCE THE COST OF THE ENERGY PACKAGE INTO THEIR LOAN.
2. THE ENERGY PACKAGE IMPROVEMENTS AGREED TO BY THE BORROWER ARE BASED ON THE RECOMMENDATION OF THE QUALIFIED HOME ENERGY RATER TOOL, HOME ENERGY RATING SYSTEM (HERS).
3. THE EEM PROGRAM RECOGNIZES IMPROVED ENERGY EFFICIENCY OF A HOME INCREASING ITS AFFORDABILITY BY REDUCING OPERATING COSTS.



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ELIGIBLE COSTS

BORROWER MAY ADD UP TO 100% OF EXPENSE OF THE COST EFFECTIVE ENERGY PACKAGE.

“COST EFFECTIVE”: THE TOTAL COST OF THE IMPROVEMENTS, INSPECTION(S) AND AUDIT REPORT, PLUS MAINTENANCE, IS LESS THAN THE TOTAL PRESENT VALUE OF THE ENERGY SAVED OVER THE USEFUL LIFE OF THE IMPROVEMENTS.

THE COST OF THE ENERGY IMPROVEMENTS AND EXPECTED SAVINGS ARE DETERMINED BY THE WRITTEN HOME ENERGY REPORT.



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ELIGIBLE MORTGAGES

1. AN FHA FORWARD PURCHASE OR A REFINANCE MORTGAGE (INCLUDING STREAMLINE REFINANCES)
2. 203(B) INCLUDING CONDOMINIUMS, 203(H) DISASTER, AND 203(K) REHABILITATION MORTGAGES.



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ELIGIBLE PROPERTIES

- ❖ NEW AND EXISTING
- ❖ 1-4 UNITS
- ❖ CONDOS
- ❖ MANUFACTURED HOMES.



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HOME ENERGY RATING SYSTEM (HERS)

1. BORROWER ORDERS THE WRITTEN HOME ENERGY RATING REPORT.
2. THE HERS REPORT PROVIDES ESTIMATES OF THE COST OF IMPROVEMENTS AND THE EXPECTED ENERGY SAVINGS.



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HERS RATERS

1. UTILITY COMPANIES
2. LOCAL, STATE OR FEDERAL AGENCY
3. LOCAL, STATE OR FEDERAL AGENCY DESIGNATED FOR THE PURPOSE OF PROVIDING HERS FOR RESIDENTIAL PROPERTIES.
4. A NON-PROFIT ORGANIZATION EXPERIENCED IN HOME ENERGY RATINGS ON RESIDENTIAL PROPERTIES.
5. DEPARTMENT OF ENERGY'S WEBSITE :
[HTTP://WWW.ENERGYSTAR.GOV/INDEX.CFM?C=HOME
IMPROVEMENT.HM_IMPROVEMENT_CONTRACTORS#S1](http://www.energystar.gov/index.cfm?c=home_improvement.hm_improvement_contractors#s1)



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HERS REPORT

- EXISTING PROPERTIES : COST EFFECTIVE IMPROVEMENTS TO INCREASE THE ENERGY SAVINGS.
- NEW CONSTRUCTION : COST EFFECTIVE IMPROVEMENTS TO BE INCLUDED OVER AND ABOVE REQUIREMENTS OF THE 2000 INTERNATIONAL ENERGY CONSERVATION CODE (IECC)



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HOME ENERGY RATING REPORT CONTINUED

- ESTIMATED PRESENT ANNUAL COST OF THE ENERGY PACKAGE USEFUL LIFE AND THE COST OF MAINTENANCE OVER THE USEFUL LIFE OF THE IMPROVEMENTS.
- PRESENT ESTIMATED ANNUAL UTILITY COST BEFORE AND AFTER INSTALLATION.
- CERTIFICATION *"I CERTIFY THAT TO THE BEST OF MY KNOWLEDGE AND BELIEF, THE INFORMATION CONTAINED IN THIS REPORT IS TRUE AND ACCURATE AND I UNDERSTAND THAT THE INFORMATION CONTAINED IN THIS REPORT MAY BE USED IN CONNECTION WITH AN APPLICATION FOR AN ENERGY EFFICIENT MORTGAGE TO BE INSURED BY FHA OF THE US DEPARTMENT OF HUD."*



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MAXIMUM ALLOWABLE COST OF IMPROVEMENTS

- THE COST OF THE ENERGY EFFICIENT IMPROVEMENTS THAT MAY BE ELIGIBLE FOR FINANCING INTO THE MORTGAGE IS THE LESSER OF A OR B AS FOLLOWS:
 - A. THE DOLLAR AMOUNT OF COST EFFECTIVE ENERGY IMPROVEMENTS, PLUS COST OF REPORT AND INSPECTIONS, OR
 - B. THE LESSER OF 5% OF:
 - THE VALUE OF THE PROPERTY, OR
 - 115% OF THE MEDIAN AREA PRICE OF A SINGLE FAMILY DWELLING, OR
 - 150% OF THE CONFORMING FREDDIE MAC LIMIT



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A LINK TO A SPREADSHEET PROVIDING **AREA
MEDIAN PRICES** HAS BEEN POSTED ON THE
FOLLOWING WEB PAGE:

<http://www.hud.gov/offices/hsg/sfh/eem/medianprices2010.xls>



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FHA Connection

[Home](#) [Main Menu](#) [ID Maintenance](#) [E-mail Us](#) [Contact Us](#)

Welcome CHRISTIAN MALONE

[Single Family FHA](#)[Single Family Origination](#) > [Case Processing](#) > [EEM Calculator](#)

EEM Calculator

[Help Links](#) ?FHA Case Number: - Projected Underwriter Approval Date: / / Sale Price: 

Reset

Message Board Tuesday June 30, 2009

[HSG/FHA Home Page](#) | [HUD Single Family Housing Page](#)
[HUD Multifamily Housing Page](#) | [HUDCLIPS](#) | [Lenders Information](#) | [Mortgagee Letters](#)



FHA Connection

Single Family FHA

Single Family O

EEM Calculator

FHA Case Number:

Projected Underwriter Appr

Sale Price: 

Reset

HUD

Help Links - Microsoft Internet Explorer

File Edit View Favorites Tools Help



FHA Connection

Business Background

General background information on this application including the business model and function of this screen in the overall process.

Steps for Processing

Steps required to complete this portion of the business process.

Field Descriptions

Detailed descriptions of all of the fields and their contents on this screen. Includes data validation rules and format for all data.

Help Index

Alphabetical index of all FHA Connection Single Family Origination help.

Close

Comments or Questions [<SF Administration>](#)



FHA Connection

Single Family FHA

Single Family

EEM Calculator

FHA Case Number:

Projected Underwriter Ap

Sale Price: 

Reset

Help - FHA Connection Single Family Origination -...

File Edit View Favorites Tools Help

<<Back

Forward>>

Close

EEM Calculator
Business Background

EEM Calculator is used to determine the maximum allowable Energy Efficient Mortgage (EEM) amount for energy efficient improvements. Per Mortgagee Letter 2009-18, the mortgage amount for an FHA-insured EEM can be increased by the cost of effective energy improvements. The maximum amount of the portion of the EEM for energy improvements is the lesser of five percent (5%) of:

- the appraised value of the property*, or
- 115% of the median area price for a single family dwelling, or
- 150% of the Freddie Mac government sponsored enterprise (GSE) conforming loan limit.

* For a refinance case without an appraisal, the old property value is used. For a HUD Real Estate Owned (REO) case without an appraisal, the sales price is used.

[Return to top](#)

See Also

[EEM Calculator - Processing](#)



FHA Conn

Single Family FHA

Single Family

EEM Calculator

FHA Case Number:

Projected Underwriter A

Sale Price: 

Reset

Help - FHA Connection Single Family Origination -...

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EEM Calculator
Processing

EEM Calculator is processed as follows for cases underwritten on or after June 10, 2009:

1. Type the 10-digit identifier the FHA assigned to the loan in the **FHA Case Number** field.

2. Type the estimated date the underwriter signed, or will sign, the *FHA Loan Underwriting and Transmittal Summary, form HUD-92900-LT* in the **Projected Underwriter Approval Date** field. The date cannot be more than 30 days later than the current date. Use an mm/dd/yy format (e.g., 07/06/08).

-or-

Click  to select a date.

3. For a HUD Real Estate Owned (REO) case, type the contract sales price in the **Sale Price** field (otherwise, leave the field blank). Do not enter a dollar sign, comma, or cents.

4. Click **Send**. The **EEM Calculator Results** page appears with the **Calculated EEM Amount** if processing was successful.

-or-

The **EEM Calculator** page appears with an error



FHA Conn

Single Family FHA

Single Family

EEM Calculator

FHA Case Number: Projected Underwriter A Sale Price: 

Reset

Help - FHA Connection Single Family Origination -...

File Edit View Favorites Tools Help

Field Descriptions

The field descriptions for the **EEM Calculator** page are provided below in the order they appear on the page. Additional fields may be displayed if errors are encountered when processing.

Field	Description
FHA Case Number	Unique 10-digit identifier assigned to the mortgage loan by the Federal Housing Administration (FHA).
Projected Underwriter Approval Date	Estimated date the underwriter signed, or will sign, the <i>FHA Loan Underwriting and Transmittal Summary, form HUD-92900-LT</i> .
Sale Price	Contract sales price of the HUD Real Estate Owned (REO) property.

Errors

If there is an error that needs to be corrected, an error message appears near the top of the page and a corresponding **Error(s) Detected** field in the **Details** section near the bottom of the page. These fields provide information about correcting the error.

[Return to top](#)

[See Also](#)



MAXIMUM MORTGAGE

1. IF THE ENERGY PACKAGE MEETS THE COST EFFECTIVE TEST, THE FULL COST OF THE IMPROVEMENTS IS ADDED TO THE BASE LOAN AMOUNT WITHOUT A DETERMINATION OF VALUE AND WITHOUT FURTHER CREDIT QUALIFICATION!
2. THE MAXIMUM FHA COUNTY LOAN AMOUNT MAY BE EXCEEDED BY THE COST OF THE ENERGY EFFICIENT IMPROVEMENTS.



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EXAMPLE OF AN ENERGY EFFICIENT MORTGAGE CALCULATION

Sales Price:	\$60,000
Interest Rate:	8%
Closing Costs:	\$1,200
Improvements Recommended by Home Energy Rating:	\$3,000
Average Life of Measures Calculated by Rating:	10 years
Monthly Energy Savings Calculated by Rating:	\$40



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EXAMPLE OF EEM CALCULATION CONTINUED

Standard Underwriting	
\$60,000 Sales Price	\$60,000 Appraised Value
X 96.50% Maximum Loan to Value	96.50% Maximum Loan to Value
\$57,900 Maximum Loan	\$57,900 Maximum Loan
Energy Mortgage Calculation	
\$57,900	Loan Amount
\$3,000	Energy Improvements
10 years	Average Life of Improvements
\$40	Monthly Energy Savings
\$480	Annual Savings
\$3,220	Energy Premium (6.710 present value X \$480 annual savings)



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EXAMPLE OF EEM CALCULATION CONTINUED

New Loan Amount	
\$57,900	Standard Loan Calculation
\$ 3,000	Energy Mortgage
\$60,900	New Loan Amount
\$ 1370	Up Front MIP (based on \$60,900)



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STREAMLINE REFINANCES

1. BORROWERS PRINCIPAL AND INTEREST FOR THE NEW MORTGAGE (INCLUDING COSTS OF ENERGY EFFICIENT IMPROVEMENTS) CAN BE GREATER THAN CURRENT PAYMENT PROVIDED THE MONTHLY ENERGY SAVINGS EXCEEDS THE INCREASE IN PAYMENT.
2. FOR STREAMLINE REFINANCES WITHOUT APPRAISALS THE ORIGINAL PRINCIPAL BALANCE SUBSTITUTES FOR AN APPRAISED VALUE.



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PROCESSING

1. THE HERS REPORT AND THE FHA ENERGY EFFICIENT MORTGAGE WORKSHEET CALCULATES THE DOLLAR AMOUNT OF THE COST EFFECTIVE ENERGY PACKAGE THAT MAY BE ADDED TO THE BASE LOAN.
2. THE APPRAISAL DOES NOT NEED TO REFLECT THE VALUE OF THE ENERGY ADDED PACKAGE FOR EITHER NEW OR EXISTING CONSTRUCTION.
3. THE PRESENT VALUE TEST IS STATUTORY REQUIREMENT.



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PROCESSING

4. THE COMPLETED HERS REPORT AND THE ENERGY EFFICIENT MORTGAGE WORKSHEET MUST BE ATTACHED BEHIND THE LOAN TRANSMITTAL (HUD-92900) PRIOR TO SUBMISSIONS FOR UNDERWRITING AND ENDORSEMENT.
5. COMMENT SECTION OF LT NEEDS TO INDICATE THE LOAN IS AN EEM AND REFLECT THE COST OF THE ENERGY PACKAGE AND LOAN CALCULATION.



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UNDERWRITING & QUALIFYING THE BORROWER

1. THE MORTGAGE IS INITIALLY UNDERWRITTEN AS IF THE ENERGY PACKAGE DID NOT EXIST.
2. FHA TOTAL SCORECARD MAY BE UTILIZED TO UNDERWRITE ENERGY EFFICIENT MORTGAGES.
3. RATIOS FOR A MANUAL UNDERWRITE ARE “STRETCHED” TO 33/45 FOR NEW CONSTRUCTION OR EXISTING ENERGY EFFICIENT HOMES THAT MEET OR EXCEED THE 2000 INTERNATIONAL ENERGY CONSERVATION CODE (IECC).
- 4 . FOR NEW CONSTRUCTION, WHEN QUALIFYING THE BORROWER, THE COST OF THE ENERGY PACKAGE IS SUBTRACTED FROM THE SALES PRICE.



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TOTAL SCORECARD

1. INTERFACE LOAN THROUGH TOTAL AS IF THE ENERGY PACKAGE DOES NOT EXIST.
2. FHA WILL RECOGNIZE AN “ACCEPT” OR “APPROVE” RISK CLASSIFICATION FROM TOTAL AND ALLOW THE INCREASE TO THE MORTGAGE PAYMENT WITHOUT RESCORING OR RE-UNDERWRITING IF ALLOWED BY THE DIRECT ENDORSEMENT UNDERWRITER.



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ENDORSEMENT

1. ENTER THE APPROPRIATE ENERGY EFFICIENT MORTGAGE DESIGNATION IN FHA CONNECTION ON THE INSURANCE APPLICATION:
 - NEW CONSTRUCTION/HERS IMPROVEMENTS
 - EXISTING CONSTRUCTION/HERS IMPROVEMENTS

NOTE: LOANS CODED AS EEM IN FHA CONNECTION: INSURANCE APPLICATION WILL RECOGNIZE A HIGHER LOAN AMOUNT AND THAT AN ADDITIONAL DOWN PAYMENT IS NOT REQUIRED.



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ENDORSEMENT CONTINUED

1. EXISTING PROPERTIES: ENERGY EFFICIENT MORTGAGES ARE INSURABLE IMMEDIATELY AFTER CLOSING. THE INSTALLATION OF ENERGY PACKAGE DOES NOT NEED TO BE COMPLETED PRIOR TO INSURING.
2. NEW CONSTRUCTION: THE ENERGY PACKAGE MUST BE COMPLETED BEFORE THE MORTGAGE IS ELIGIBLE FOR INSURANCE.



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ESCROW FOR IMPROVEMENTS

1. FOR EXISTING PROPERTIES AN ESCROW MUST BE ESTABLISHED FOR 100% OF THE ACTUAL COST OF THE ENERGY EFFICIENT IMPROVEMENTS NOT TO EXCEED 90 DAYS.
2. IF THE IMPROVEMENTS ARE NOT INSTALLED WITHIN THE 90 DAY PERIOD, THE FUNDS WILL BE APPLIED TO THE PRINCIPAL BALANCE OF THE MORTGAGE.
3. HUD-92300 MORTGAGEE ASSURANCE OF COMPLETION MUST BE EXECUTED BY DE UNDERWRITER AND MORTGAGEE OFFICIAL TO INDICATE THE ESCROW HAS BEEN ESTABLISHED.
4. WHEN THE IMPROVEMENTS HAVE BEEN COMPLETED A LENDER SELECTED INSPECTOR, THE HERS CONSULTANT, OR A HUD FEE INSPECTOR MUST VERIFY THE INSTALLATION.
5. IT IS THE LENDER'S RESPONSIBILITY TO VERIFY THE IMPROVEMENTS HAVE BEEN INSTALLED AND NOTIFY HUD THROUGH FHA CONNECTION THE ESCROW HAS BEEN CLEARED.



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ENERGY EFFICIENT MORTGAGE WORKSHEET

A. Qualifying Mortgage Amount	1. Mortgage (w/o MIP) (line 11d of the MCAW-PUR or line 10g from MCAW WS)	A. \$ _____
B. EEM Amount	<i>The Home Energy Rating Report will provide the information on the Recommended Energy Package, its cost, and the present value of the energy saved.</i>	
The lowest of the 4 calculations is the financed amount that can be added on top of your base loan amount.	Compare Cost and PV of energy savings:	
	1. Cost of Energy package \$ _____	
	2. PV of Energy Saved \$ _____	
	3. Is PV more than Cost? Y / N	
	If Yes, Continue:	
	1. Total Cost of the Energy Improvements, (or)	B. \$ _____
	2. 5% of the value of the property (or)	
	3. 5% of 115% of the median area price of a single family dwelling (or)	
	4. 5% of 150% of the conforming Freddie Mac limit	
C. Final EEM Mortgage Amount (w/o MIP)	Add A and B	C. \$ _____



MORTGAGEE LETTERS AND REFERENCES

- 4155.1 6.D.1
- ML 2009-18
- ML 2005-21



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QUESTIONS



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THANK YOU!



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Disclosure

- ❖ THE PURPOSE OF THIS PRESENTATION IS AN OVERVIEW OF THE SUBJECT MATTER WITH SUMMATION AND EXPLANATION OF RECENT CHANGES IN FHA POLICY. IT INTRODUCES AND EXPLAINS, RATHER THAN SUPPLANTS, OFFICIAL POLICY ISSUED IN HANDBOOKS AND MORTGAGEE LETTERS. IF YOU FIND A DISCREPANCY BETWEEN THE PRESENTATION AND HANDBOOKS, MORTGAGEE LETTERS, ETC., THE OFFICIAL POLICIES PREVAIL. PLEASE NOTE THE INFORMATION PROVIDED IN THIS TRAINING IS SUBJECT TO CHANGE.
- ❖ PLEASE CONSULT HUD ONLINE HANDBOOKS AT [HTTP://WWW.FHAOUTREACH.GOV/FHAHANDBOOK/PROD/CONTENT.S.ASP?ADDRESS=4155-1](http://www.fhaoutreach.gov/FHAHANDBOOK/PROD/CONTENT.S.ASP?ADDRESS=4155-1) AND MORTGAGEE LETTERS THROUGH [HTTP://WWW.HUD.GOV/OFFICES/ADM/HUDCLIPS/LETTERS/MORTGAGEE/INDEX.CFM](http://www.hud.gov/offices/adm/hudclips/letters/mortgagee/index.cfm) FOR THE MOST RECENT UPDATES AND CURRENT POLICY.

